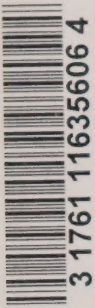


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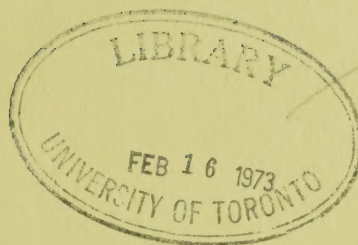
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SALES, EXPORTS AND IMPORTS FROM THE UNITED STATES

BY CANADIAN AFFILIATES OF U.S. FIRMS, SELECTED

YEARS FROM 1957 TO 1968



Canada

OTTAWA

September, 1972

Foreign Investment Division,

Office of Economics,

Department of Industry, Trade and Commerce.

SALES, EXPORTS AND IMPORTS FROM THE UNITED STATES BY
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SUMMARY

The U.S. Department of Commerce has published figures on sales of manufacturing affiliates in Canada of U.S. firms, for selected years from 1957 to 1968.

Sales by mining affiliates rose from \$US 740 million in 1957 to \$US 2,058 million in 1968, an increase of 178 per cent. Domestic sales rose from 16.8 per cent of the total in 1957 to 26.3 per cent in 1968. Exports to the U.S. were 54.0 per cent of sales in 1957 and 44.3 per cent in 1968.

Sales of manufacturing affiliates rose from \$US 7,897 million in 1957 to \$US 18,548 million in 1968, an increase of 134.9 per cent. Domestic sales made up 82.0 per cent of the total in 1962 and the proportion declined to 72.1 per cent in 1968. Exports to the U.S. rose from 8.7 per cent of total sales in 1962 to 20.4 per cent in 1968. Within manufacturing, the transportation equipment group had the biggest sales, accounting for 23.6 per cent of the total for manufacturing in 1968.

The U.S. Department of Commerce has published figures for imports from the U.S. by Canadian affiliates of U.S. firms from 1962 to 1964, for four industrial groups. They are petroleum, manufacturing, trade, and other industries. Imports by these affiliates from the U.S. rose from \$US 1,694 million in 1962 to \$US 2,169 million in 1964. Of these imports, a high proportion came from parent companies. They make up about three-quarters of the total. Over half of the imports from parent companies were for resale without further manufacture. These imports from parents for resale made up from 38 to 40 per cent of the affiliates' total imports from the U.S.

When imports to the U.S. by U.S. affiliates and exports from the U.S. by them are compared, it is found that for the years from 1962 to 1964 they had an adverse effect on the Canadian balance of payments of some \$US 600 million per year. Within industrial groups, there was a sizable surplus on the balance of payments in paper and allied products, which was matched by a substantial deficit in the case of transportation equipment.

The U.S. Department of Commerce has published figures on United States manufacturing establishments in Canada of U.S. firms, and related items from 1937 to 1965.

Tables by mining establishment from 1937 to 1965 are included in 1965, an increase of 196 per cent. (based on 1937) from 16.6 per cent of the total in 1937 to 32.3 per cent in 1965. The U.S. share of sales in 1937 was 1.5 per cent, and in 1965, 3.5 per cent. Sales of manufacturing establishments from 1937 to 1965 were \$2,050 million in 1937 to \$20,140 million in 1965, an increase of 10.0 per cent. (based on 1937) from 16.6 per cent of the total in 1937 to 32.3 per cent in 1965.

total sales in 1937 to 30.4 per cent in 1965.

cost of the total for manufacturing in 1965.

The U.S. Department of Commerce has published figures for 1937 to 1965.

from the U.S. Department of Commerce.

Industrial growth in the U.S. has been rapid since 1937.

industries. In 1937, the U.S. share of sales was 1.5 per cent.

an 10.0 per cent increase in 1965, a 10.0 per cent increase.

come from foreign companies. The share of sales was 1.5 per cent.

Over half of the increase from 1937 to 1965 was in the U.S. share.

manufacturing. These figures show that the U.S. share of sales was 1.5 per cent.

cost of the establishments, total imports from the U.S.

when reported to the U.S. Department of Commerce.

by the U.S. Department of Commerce.

had an increase of 10.0 per cent in 1965.

million per year. Since 1937, there has been a steady increase in the

balance of payments in goods and services, which was 1.5 per cent.

essential deficit in the case of manufacturing establishments.

I. INTRODUCTION

The scope of direct investment in Canada by residents of the United States, and the size of the flows of capital and income which are associated with it, make it a phenomenon of considerable interest to Canadians. The part which it plays in the whole picture of foreign direct investment in Canada is outlined in an earlier working paper Foreign Direct Investment in Canada Since The Second World War, and its amendments. That document is based on material published by Statistics Canada.

Extensive material on U.S. direct investment in Canada is also published by the U.S. Department of Commerce. This was the basis for another working paper, U.S. Direct Investment in Canada As Reported by U.S. Sources, 1946-1967. It was updated to 1969 by Amendment List Number 1.

As well as the general information about direct investment, the U.S. authorities publish information about some aspects of the operations of U.S. affiliates in Canada. These affiliates are the instruments through which U.S. firms carry out their direct investment. It is on this material that the present working paper is based.

An essential preliminary to the preparation of the text of this paper was to consolidate in a standard format the statistical series which have been published over the past fourteen years in many documents. Series were prepared on sales by Canadian affiliates of U.S. firms, on that portion of their sales which consists of exports, and on their imports from the United States.

The main statistical tables are given in Annex A. The introduction to the Annex describes the tables, and explains the system for numbering them. Annex B gives a bibliography of the sources of data.

Chapter II discusses some of the concepts and definitions which are used in the statistics. Chapter III describes the statistical surveys, and explains how the published figures are derived from them.

Chapters IV, V and VI contain the basic analysis. Chapter IV deals with the series on sales by U.S. affiliates, and with those portions of the sales which were exported to the U.S. and elsewhere. Chapter V deals with imports from the United States by U.S. affiliates in Canada. Chapter VI compares the

imports and exports of the U.S. affiliates, to give an indication of the effects of their activities on the balance of payments.

Data from 1966 on are subject to revision, when the results of the 1966 census of U.S. business interests in foreign countries have been applied to them. Mention is made of this at appropriate places in the text.

The first results from this 1966 census are given in U.S. Direct Investments Abroad 1966 Part 1: Balance of Payments Data. This document is a supplement to the Survey of Current Business, and its publication was announced in the issue for August 1971. As the title indicates, it does not deal specifically with sources and uses of funds.

This working paper is based on material which had been published by the end of August, 1972.

The Survey of Current Business also points out that while U.S. corporations which have at least a 75 per cent voting interest or more in an unincorporated foreign branch or foreign corporation are surveyed, in actual practice the voting interest is often closer to 75 per cent.

The more complex definitions which were used for the 1966 census of U.S. business investments in foreign countries do not apply to the data used in this working paper, which were published before the results of that census had been analyzed. These definitions are given in Chapter XI of the working paper United States Business Investments in Foreign Countries: A Note on the 1966 Questionnaire, which was issued in December 1969. For further information see pages 187 to 236 of U.S. Direct Investments Abroad 1966 - Part 1: Balance of Payments Data, which was published by the U.S. Department of Commerce in the Fall of 1971.

Exports to Foreign Affiliates by Their U.S. Parents.

(a) Identification of the exporter

The main problem involved in this concept is the identification of the exporter. When a U.S. parent sells or ships goods of its own manufacture to foreign affiliates, the matter is simple. However, a parent may export to a foreign subsidiary commodity other than those actually manufactured by itself. The Survey of Current Business for May 1969 contains this more complicated situation as follows:

II. CONCEPTS AND DEFINITIONS

The purpose of this chapter is to describe the concepts used by the U.S. Department of Commerce in the preparation of their data on sales, exports, and imports from the U.S. by foreign affiliates of U.S. firms.

Foreign Affiliates

The following definition was given in the Survey of Current Business for October 1964.

"... the term "foreign affiliate" applies to unincorporated foreign branches of U.S. firms, or foreign corporations in which U.S. Companies have a directly held voting interest of 25 per cent or more.

The data used for each affiliate are taken for its entire operation - no reduction is made to allow for the interest of foreign stockholders in the operations of the affiliates. This tends to inflate somewhat the U.S. interest in these firms, but no practical way exists, in this context, for other procedures to be used. Also, the reports do not cover operations of secondary foreign affiliates ... when they are not consolidated by the reporter."

The Survey of Current Business also points out that while U.S. corporations which have at least a 25 per cent voting interest or more in an unincorporated foreign branch or foreign corporation are surveyed, in actual practice the voting interest is often closer to 75 per cent.

The more complex definitions which were used for the 1966 census of U.S. business investments in foreign countries do not apply to the data used in this working paper, which were published before the results of that census had been assessed. These definitions are given in Chapter II of the working paper United States Business Investments In Foreign Countries: A Note on the 1966 Questionnaire, which was issued in December 1969. For fuller information see pages 187 to 239 of U.S. Direct Investments Abroad 1966 - Part I: Balance of Payments Data, which was published by the U.S. Department of Commerce in the fall of 1971.

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"This occurs when a U.S. parent company charges and ships goods that it has purchased from other suppliers, or if charges and shipments - or the shipments alone - are made directly by the other supplier, while the original orders and specifications are given to that supplier by the U.S. parent company. In all these cases, it may be claimed that the export originated with the parent and was directed to the foreign affiliate."

Because of actual problems in the compilation of the statistics, the exports which are considered to be attributable to the parent," ... do not reflect U.S. exports charged directly by other U.S. suppliers to the foreign affiliates even if such exports were ordered by the parent companies."

(b) Data collected

The Survey of Current Business for December 1964 explains this as follows, on page 26:-

"Data collected in this survey provided information on the type of exports by reporters. These types included exports for processing or assembly, either in the form of parts and components, or as crude and unmanufactured materials or supplies; exports for resale without further manufacture; capital equipment and machinery, and exports made to the affiliate on a commission basis, among others. Information supplied by reporters did not include a breakdown of the exports to foreign affiliates by commodities."

III. HOW THE STATISTICS WERE OBTAINED

General

This paper is based on two groups of statistical series about U.S. - controlled affiliates in Canada. They consist of a series on sales and a series on imports. A supplementary series on exports is derived from the series on sales.

The two groups of series are based on two surveys.

The Surveys

The major main series, which consists of periodic censuses with annual surveys in between, has been carried out by the Office of Business Economics of the U.S. Department of Commerce since 1957. The series on sales is based on this.

The second survey, called "U.S. Exports to Foreign Affiliates of U.S. Firms" was also carried out by the Office of Business Economics. It covered exports from 1962 to 1964.

Survey of Sources and Uses of Funds

The series on sales is based on questions included in the general survey of sources and uses of funds. The main results of this survey are ^{to be} dealt with in a companion working paper to this one, entitled "Sources and Uses of Funds of Canadian Affiliates of U.S. Firms as Reported by U.S. Sources, Selected Years from 1957 to 1968". The survey of sources and uses of funds began with a census in 1957, and continued with annual surveys on a sample basis until 1965. In 1966, there was another census, the results of which had not been incorporated in the statistical series when this working paper was prepared. From 1967 on, there have been annual sample surveys.

The 1957 census showed 2,812 U.S. enterprises, which had controlling interests (25 per cent or more) in foreign firms. The results were published by the Office of Business Economics in 1960 under the title "U.S. Business Investments in Foreign Countries". The 1966 census covered about 3,500 parent companies with about 25,000 foreign affiliates.

Between the two censuses, and from 1967 on, there have been annual sample surveys. The reports from the companies surveyed are filed in June. Their cover has increased from about 200 companies selected from those covered by the census in 1957 to about 450 in 1968. At that time, about 4,000 foreign affiliates were involved.

These annual surveys were used from 1958 to 1965 as the base for general data on sources and uses of funds. In 1967 and 1968 the sample data were no longer blown up to universe totals.

Form 1962 on, with earlier years in some cases, the annual surveys have been used as the basis of estimates of sales and exports by Canadian manufacturing affiliates. From 1963 on, they have been used for similar estimates for mining. (For both manufacturing and mining, some 1957 data are available from the census).

Survey of Exports to Foreign Affiliates.

From 1962 to 1965, the U.S. Department of Commerce conducted an annual survey entitled "U.S. Exports to Foreign Affiliates of U.S. Firms". This was on a voluntary basis. In 1963, the survey covered 256 U.S. parent companies, which had about 2,500 foreign affiliates. By 1965, it covered 330 U.S. parent companies, which provided data on 3,579 foreign affiliates. The aims and methodology of the survey were described in the Survey of Current Business for December 1964 as follows:

"The first such survey covered the year 1962; this report includes the results of that survey.
... The number of U.S. parent companies reporting in 1963 was 256, covering about 2,500 foreign affiliates.
No benchmark data exist for exports to foreign affiliates, and therefore the attempt to blow up some of the data universe totals is based on a tie to statistics on sales of foreign affiliates collected from a similar group of reporters providing data annually on Form BE-133, Sources and Uses of Funds of U.S. Direct Investment Abroad. ... The data for exports to manufacturing and distribution affiliates have been expanded to universe estimates by relating exports to the sales of the same foreign affiliates, and then relating these sales to previously calculated total sales of affiliates in each area and industry".

Expansion of the sample data to estimates of the universe was carried out from 1962 to 1964. In 1965, the sample data were not expanded. After the results of the 1966 census have been processed, universe data for 1965 will be estimated.

The methodology employed in this survey was described in the Survey of Current Business for May, 1969, as follows:

"The records used in this study are based largely on the accounting data on the books of the parents and their foreign affiliates. The books of the parent companies show the foreign affiliates that were charged and the amounts involved. They do not reflect U.S. exports charged directly by other U.S. suppliers to the foreign affiliates even if such exports were ordered by the parent companies. However, the reporters were requested to obtain data on such transactions from their foreign affiliates and to report them among the purchases by the foreign affiliates from independent suppliers in the United States."

In certain cases, a foreign affiliate that was charged on its parent company's book was not located in the same country to which the goods were shipped. "This explains why some of the exports of parts and materials for assembly or further processing are attributed to foreign distribution affiliates rather than to manufacturing affiliates."

The Statistical Series

Detailed Series on Sales

The main series for the purposes of this working paper are those on sales of Canadian mining affiliates of U.S. firms and those on sales of Canadian manufacturing affiliates. The reason why the survey does not give a total sales figure for all industry is stated in the Survey of Current Business for October 1964 as follows:

"For some industries - trade and distribution, finance and insurance, and contractual services - coverage has been small and data on sales or revenues are not very significant for economic analysis. For the petroleum industry data on physical production or refinery capacity can be developed, but the computation of an unduplicated dollar value of sales is so complex that it cannot be done annually with available resources. Consequently, sales data have been developed and published annually in detail only for the manufacturing affiliates, with occasional estimates of the sales of foreign mining affiliates."

Sales of Canadian mining affiliates are given for 1957, from 1963 to 1965, and for 1967 and 1968.

Sales of Canadian manufacturing affiliates are given, by type of manufacturing, for 1957, for 1959, from 1961 to 1965 and 1967 and 1968. Data on 1960 sales were published in the Survey of Current Business for October 1964. However, when the issue for November 1965 revised the data for 1959 and 1961 substantially, it omitted data for 1960. Consequently, this working paper omits the figures for 1960.

Breakdowns by sales within Canada, to the U.S., and to other countries, are given from 1962 to 1965 and for 1967 and 1968.

The data on sales are taken from the 1957 census, and from the subsequent annual sample surveys on sources and uses of funds. All series are expanded to give estimates of the universe, using 1957 as the base. The data for 1967 and 1968 will be revised when the results of the 1966 census of direct investment are available.

Series on Imports from the U.S.

The series on imports from the U.S. by Canadian affiliates of U.S. firms are taken from the U.S. series on exports from the U.S. to Canadian

affiliates. These U.S. series are based on the survey of exports to foreign affiliates which was described above.

The series cover four major industrial groups:- petroleum, manufacturing, trade and other industries. The trade component consists mainly of imports by distributing affiliates of U.S. manufacturing companies.

Estimates of the universe are given for the three years from 1962 to 1964, and sample results for 1965.

IV. SALES AND EXPORTS

This chapter deals with selected aspects of the sales of Canadian affiliates of U.S. firms. Data are available for sales of both mining and manufacturing affiliates by destination and in the case of manufacturing, by industrial group. Series on sales within Canada by type of manufacturing are also presented.

The portion of sales which became exports is also examined, but only in respect of manufacturing affiliates.

Sales by Mining Affiliates

Expanded data on the sales of mining affiliates by areas of destination are given in Table CD-US301 for 1957, from 1963 to 1965, for 1967 and for 1968.

Total sales of mining affiliates grew from \$US 740 million in 1957 to \$US 2,058 million in 1968. This was an increase of 178 per cent. Reports for the years in which data are available suggest that growth was fairly steady.

Sales in Canada made up 16.8 per cent of the total in 1957. In 1968, this proportion was 26.3 per cent. The bulk of the increase occurred between 1957 and 1963, in which year 23.5 per cent of all sales were in Canada. After an increase to 26.8 per cent in 1964, the share attributable to local sales remained fairly steady to 1968.

Sales to the United States were much greater than sales to Canada. The percentage of total sales which were made to the United States dropped from 54.0 per cent in 1957 to 46.5 per cent in 1963. The percentage then fluctuated over a narrow range to its 1968 level of 44.3 per cent.

The percentage of sales made to countries other than the U.S. showed little variation for the reported years. The 1957 level of 29.2 per cent was almost the same as the 29.4 per cent observed in 1968. Over all the years for which data were given, the range of variation was only 3.1 percentage points.

Sales by Manufacturing Affiliates

More comprehensive data are available for sales by manufacturing affiliates than for those by mining affiliates. Separate breakdowns are given for their sales by type of manufacturing and by area of destination. In addition, for each area of destination there is a breakdown by type of manufacturing. All data are estimates of the universe.

Table CD-US302 presents data for sales of manufacturing affiliates by type of manufacturing for 1957, 1959, 1961 to 1965, 1967 and 1968. Data are given for nine types of manufacturing

Total sales by manufacturing affiliates increased substantially from \$US 7,897 million in 1957 to \$US 18,548 million in 1968. The data, although incomplete, indicate that this growth has occurred steadily over the 11-year period under study.

Sales by all nine types of manufacturing increased substantially over the period. In terms of percentages, transportation grew most, by 280.4 per cent, followed by machinery (excluding electrical) and chemicals at 142.4 per cent and 136.7 per cent respectively. The lowest percentage increase was for electrical machinery, at 34.9 per cent.

The way in which sales of manufacturing affiliates are distributed among different types of manufacturing is of interest. Table IV-I below presents this distribution in terms of percentages.

The relative steadiness of the percentages for all but three groups is noteworthy. Paper, allied products, chemicals, rubber products, primary and fabricated metals, machinery (excluding electrical) and other products all show a net movement of less than 1.9 percentage points from 1957 to 1968. Moreover these same groups show small ranges of variation within the period.

Of the other three manufacturing groups, transportation equipment shows the highest net change from 18.8 per cent in 1957 to 30.5 per cent in 1968. This increase of 11.7 percentage points was accomplished fairly steadily. The part played by electrical machinery decreased by 5.8 percentage points during the period. Food products declined by 3.3 percentage points.

TABLE IV-1

DISTRIBUTION OF SALES OF CANADIAN MANUFACTURING AFFILIATES
OF U.S. FIRMS, BY TYPE OF MANUFACTURING INDUSTRY, 1957,
1959, 1961 TO 1965, 1967 TO 1968

(per cent)

Year	Total	Food Products	Paper and allied products	Chemicals	Rubber products	Primary and fabricated metals	Machinery (excluding electrical)	Electrical machinery	Transportation equipment	Other products
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1957	100.0 ^{1/}	11.8	9.7	11.4	3.4	11.7	8.8	13.7	18.8	10.7
1959	100.0	12.9	9.7	13.0	3.5	11.6	9.3	9.7	19.5	10.7
1961	100.0	13.0	10.3	15.6	3.4	11.2	9.0	9.1	17.2	11.3
1962	100.0	12.3	10.3	14.1	3.7	11.8	8.8	9.2	18.8	10.9
1963	100.0	11.6	10.2	13.7	3.5	11.8	9.0	8.5	21.0	10.8
1964	100.0	11.0	10.4	13.2	3.4	11.4	8.9	8.7	21.4	11.5
1965	100.0	9.9	10.1	12.7	3.5	10.6	8.8	9.0	24.2	11.1
1967	100.0	9.4	9.1	11.4	3.3	10.0	9.7	8.3	28.3	10.7
1968	100.0	8.5	9.1	11.4	3.1	9.8	9.1	7.9	30.5	10.6

^{1/} Items may not add due to rounding

Source: Table CD-US102

Table CD-US303 gives series for sales of manufacturing affiliates by area of destination from 1962 to 1965, for 1967 and for 1968. The destinations given are Canada, the United States, and countries other than the U.S.

Sales within Canada increased steadily from 1962 to 1968, with increases reported for each year in which data are available. They increased from \$US 7,686 million in 1962 to \$US 13,369 million in 1968, an increase of \$US 5,683 million, or 74 per cent. As a percentage of total sales, sales within Canada fell from 82.0 per cent in 1962 to 72.1 per cent in 1968. Most of this change took place between 1965 and 1967, when the proportion dropped from 81.6 per cent to 74.5 per cent.

Exports to the U.S. also climbed steadily over the period, from \$US 814 million in 1962 to \$US 3,787 million in 1968, an increase of 365 per cent. Increases were reported for each year in which data were given. As a proportion of total sales, exports to the U.S. also increased considerably, from 8.7 per cent in 1962 to 20.4 per cent in 1968. Most of the increase occurred between 1965 and 1967, when the figure jumped from 10.3 per cent to 17.8 per cent.

Exports to countries other than the U.S. increased from \$US 875 million in 1962 to \$US 1,392 million in 1968, an increase of 59 per cent. As a percentage of the total, exports to countries other than the U.S. fell a little from 9.3 per cent in 1962 to 7.5 per cent in 1968.

The data on sales to these three areas are further broken down within each area by type of manufacturing. The details are given in Tables CD-US304 to CD-US306.

Table CD-US304 gives a breakdown of sales within Canada by manufacturing affiliates, by nine types of product groups, for the years from 1962 to 1965, for 1967 and for 1968.

All nine groups showed increases between 1962 and 1968. These increases ranged from \$US 1,523 million in transportation equipment to \$US 206 million in rubber products. The biggest percentage increase was experienced by paper and allied products which increased by 155.4 per cent over the period. Two other groups, machinery (excluding electrical) with an increase of 107.1 per cent and other products with an increase of 107.7 per cent also more than doubled. The lowest percentage increase was for electrical machinery, which increased by only 24.3 per cent.

The percentage distribution of sales by type of industry is given in Table IV-2 below. It was remarkably stable over the period from 1962 to 1968.

TABLE IV-2

DISTRIBUTION OF SALES WITHIN CANADA OF CANADIAN MANUFACTURING
AFFILIATES OF U.S. FIRMS, BY TYPE OF MANUFACTURING INDUSTRY,
1962 TO 1965, 1967 TO 1968

Year	Total	Food products	Paper and allied products	Chemicals	Rubber products	Primary and fabricated metals	Machinery (excluding electrical)	Electrical machinery	Transpor- ation equipment	Other Products
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1962	100.0 ^{1/}	13.5	3.3	14.4	4.6	9.5	8.9	14.1	21.1	10.6
1963	100.0	13.1	4.9	14.8	4.1	9.6	9.3	9.7	24.0	10.5
1964	100.0	12.0	5.0	14.3	4.1	8.9	9.4	10.0	23.8	12.3
1965	100.0	11.0	4.9	13.7	4.3	8.4	9.5	10.2	26.3	11.9
1967	100.0	11.6	4.7	14.2	4.2	8.3	10.8	10.3	23.4	12.4
1968	100.0	11.1	4.8	14.7	4.2	8.4	10.5	10.1	23.6	12.7

1/ Items may not add due to rounding

Source: Table CD-US104

The largest net change over the period was in electrical machinery, which experienced a drop of 4.0 percentage points. Transportation equipment was the major group from 1962 to 1968, ranging from 21.1 to 26.3 per cent of the total. Chemicals were next, ranging from 13.7 to 14.8 per cent. Food products, electrical machinery, machinery (excluding electrical) and other products were closely grouped behind them.

Table CD-US305 presents data for exports to the U.S. by Canadian manufacturing affiliates of U.S. firms, by type of manufacturing. The data are for the period from 1962 to 1965, for 1967 and for 1968.

Exports to the U.S. of all groups but food products increased from 1962 to 1968. Exports by transportation equipment affiliates grew from \$US 45 million in 1962 to \$US 2,247 million in 1968. Most of this increase occurred from 1965 to 1967, when an increase of \$US 1,383 million was recorded. Another substantial increase over 1962 was recorded by the paper and allied products group, exports by which went up by \$US 385 million to \$US 739 million in 1968.

The percentage distribution of exports to the U.S. by type of manufacturing is presented below in Table IV-3, for the years 1962 to 1965, for 1967 and for 1968.

In 1962, the transportation equipment group made up 5.5 per cent of the total exports to the U.S. by the affiliates. After dropping slightly to 4.6 per cent in 1963, it made up 14.5 per cent of the total by 1965 and then 53.5 per cent two years later. A further increase brought the 1968 share to 59.3 per cent. All other groups except one experienced a decline in their percentage share during the period. The exception was electrical machinery, which increased its share by 0.2 percentage points. The largest decline in proportion was experienced by the paper and allied products group, exports by which declined from 43.5 per cent in 1962 to 19.5 per cent in 1968.

Exports by Canadian manufacturing affiliates to countries other than the U.S. are presented by type of manufacturing in Table CD-US306. Data are given for the years from 1962 to 1965, for 1967 and for 1968.

All manufacturing groups except one increased their exports to countries other than the U.S. from 1962 to 1968. The exception was the paper and allied products group, exports by which fell slightly from \$US 315 million in 1962 to \$US 300 million in 1968. The largest increase occurred in the case of transportation equipment, which increased from \$US 55 million in 1962 to \$US 261 million in 1968, an increase of \$US 206 million. Primary and fabricated metals

TABLE IV-3

DISTRIBUTION OF EXPORTS TO THE U.S. BY CANADIAN MANUFACTURING
AFFILIATES OF U.S. FIRMS, BY TYPE OF MANUFACTURING INDUSTRY,

(per cent)

Year	Total	Food products	Paper and allied products	Chemicals	Rubber products	Primary and fabricated metals	Machinery (excluding electrical)	Electrical machinery	Transportation equipment	Other products
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1962	100.0 ^{1/}	3.7	43.5	9.8	0.6	12.3	6.1	0.6	5.5	17.8
1963	100.0	2.0	46.9	9.3	0.8	14.3	5.3	1.4	4.6	15.4
1964	100.0	2.5	48.3	6.4	0.3	17.2	5.7	1.9	8.5	9.2
1965	100.0	2.4	46.2	6.5	0.4	12.7	6.2	2.2	14.5	8.8
1967	100.0	1.1	23.4	3.0	0.5	7.7	4.7	1.1	53.5	4.9
1968	100.0	0.7	19.5	2.2	0.5	7.3	4.9	0.8	59.3	4.8

1/ Items may not add due to rounding

Source: Table CD-US105

also reported a substantial increase of \$US 177 million over the seven-year period. Increases for the other groups were much smaller.

The percentage distribution of exports by manufacturing affiliates to countries other than the U.S., by type of manufacturing, is presented below in Table IV-4. The proportion of exports attributable to transportation equipment increased from 6.3 per cent in 1962 to 18.7 per cent in 1968. Primary and fabricated metals moved up from 26.9 per cent in 1962 to 29.6 per cent in 1968, and electrical machinery increased from 2.9 per cent to 5.7 per cent over the period. The proportion contributed by the other groups declined, the largest decrease being in the case of paper and allied products which dropped from 36.0 per cent in 1962 to 21.6 per cent in 1968.

TABLE IV-4

DISTRIBUTION OF EXPORTS TO COUNTRIES OTHER THAN THE U.S. BY CANADIAN MANUFACTURING
AFFILIATES OF U.S. FIRMS, BY TYPE OF MANUFACTURING INDUSTRY
1962 TO 1965, 1967 TO 1968

(per cent)

Year	Total	Food products	Paper and allied products	Chemicals	Rubber products	Primary and fabricated metals	Machinery (excluding electrical)	Electrical machinery	Transpor- tation equipment	Other products
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1962	100.0 ^{1/}	5.7	36.0	6.9	0.6	26.9	6.9	2.9	6.3	8.0
1963	100.0	7.6	19.5	8.2	0.3	32.4	10.3	4.5	9.9	7.4
1964	100.0	11.1	16.5	10.4	0.2	30.0	7.9	4.1	13.5	6.2
1965	100.0	9.3	16.9	9.7	0.3	30.9	5.8	5.6	15.1	6.5
1967	100.0	6.9	17.7	3.5	0.5	30.8	9.9	5.1	17.4	8.3
1968	100.0	5.5	21.6	5.0	0.5	29.6	6.6	5.7	18.7	6.8

^{1/} Items may not add due to rounding

Source: Table CD-US106

V. IMPORTS

The U.S. Department of Commerce has published figures about imports from the U.S. by Canadian affiliates of U.S. firms from 1962 to 1964. The relevant series are presented in Tables CD-US401 to CD-US405A inclusive.

Table CD-US401 gives data on imports from the U.S. by Canadian affiliates of U.S. firms, by type of import. Table CD-US401A gives the percentage distribution of this breakdown. There is a breakdown by three main types of imports. These are imports from the parent company; imports purchased directly in the U.S. (but not from the parent company); and imports purchased in the U.S. on a commission basis (not from the parent company). For imports from the parent company, a further breakdown according to four types of use is available. The groups of imports are commodities for processing or assembly; commodities for resale without further manufacture; capital equipment for investment use; and items unidentifiable by type.

Total imports by all affiliates were \$US 1,694 million in 1962 and \$US 2,169 million in 1964. This is an increase of 28.0 per cent over two years.

Noteworthy was the high proportion of total imports which came from parent companies. This varied from 73.5 to 75.2 per cent. The value rose from \$US 1,259 million in 1962 to \$US 1,592 million in 1964.

Imports from parent companies for resale without further manufacture made up from 38.0 to 40.0 per cent of the affiliates' imports during the period. The total value rose from \$US 678 million in 1962 to \$US 861 million in 1964.

Imports from parent companies in the U.S. for processing or assembly varied from 30.7 to 33.8 per cent of the affiliates' imports. Those purchased in the U.S. from other than parents varied from 22.4 to 24.7 per cent.

Capital equipment and goods purchased on a commission basis were minor items.

Table CD-US402 breaks down imports from the U.S. by all Canadian affiliates according to four industrial groups. They are petroleum, manufacturing, trade, and other industries. Table CD-US402A gives the percentage distribution of this breakdown.

Total imports by the petroleum group were \$US 29 million in 1962 and \$US 31 million in 1964, or 1.7 and 1.4 per cent of the total respectively.

In the manufacturing group, total imports rose from \$US 1,426 million in 1962 to \$US 1,840 million in 1964. Over the three years, they ranged from 84.2 to 85.7 per cent of the total. Imports from the parent made up the greater part of imports by manufacturers, rising from \$US 1,042 million, or 73.1 per cent, in 1962 to \$US 1,351 million, or 73.4 per cent, in 1964.

The trade group consists mainly of distributing affiliates of U.S. manufacturing companies. Their imports from the U.S. rose from \$US 234 million in 1962 to \$US 283 million in 1964. Over the three years, they ranged from 12.7 to 13.8 per cent of total imports. Of the imports from the U.S. by the trade group, from 77.0 to 82.9 per cent came from their parents.

Imports from the U.S. by other industries were small.

Manufacturing

Table CD-US403 gives data for imports from the U.S. by Canadian manufacturing affiliates, by type of import. The percentage distribution is given in table CD-US403A. The breakdown of imports is identical to that used in Table CD-US401.

Total imports from the U.S. by manufacturing affiliates rose from \$US 1,426 million in 1962 to \$US 1,840 million in 1964. This represents an increase of 29.0 per cent over the period.

Total imports from parent companies were \$US 1,042 million in 1962 and \$US 1,351 million in 1964, or 73.1 and 73.5 per cent of the total. Imports from parents for resale without further manufacture were of about the same importance as imports for processing or assembly. Each group made up about 35 per cent of all imports. Capital equipment imported from the parent made up about 3 per cent.

Imports purchased directly in the U.S. (but not from parent companies) increased from \$US 370 million in 1962 to \$US 438 million in 1964, an increase of 18.4 per cent. They made up just under 25 per cent of all imports.

Imports purchased on a commission basis accounted for \$US 14 million in 1962 and \$US 50 million in 1964. They varied from 1.0 per cent to 2.8 per cent of the total.

Data for imports from the U.S. by manufacturing affiliates by type of manufacturing are presented in Table CD-US404. The percentage distribution is given in Table CD-US404A. The eight industry groups are the same as those which were used in the preceding chapter.

The transportation equipment group made by far the largest portion of imports from the U.S. by manufacturing affiliates. In 1962, \$US 529 million

were imported in this group and by 1964 this figure had reached \$US 651 million. These imports were 37.1 and 35.4 per cent of the total for manufacturing. Other substantial shares were recorded by machinery (excluding electrical) which ranged from 17.6 to 18.0 per cent of the total; by electrical machinery which ranged from 11.4 to 13.3 per cent; and by chemicals which ranged from 11.2 to 13.6 per cent.

Table CD-US405 gives data for imports from U.S. parent companies by manufacturing affiliates by type of manufacturing. The percentage distribution of this breakdown is given in Table CD-US405A.

With \$US 332 million of imports in 1962 and \$US 461 million in 1964, transportation equipment was again by far the largest group. These figures represented 31.9 and 34.1 per cent of all imports from U.S. parents. Machinery (excluding electrical) ranged from 17.0 to 18.4 per cent of the total over the three years, electrical machinery from 11.8 to 13.7 per cent, and chemicals from 11.5 to 16.5 per cent.

VI. IMPORTS AND EXPORTS

The imports to the United States and exports from it by U.S. manufacturing affiliates have an effect on the Canadian balance of payments with the U.S. The material presented in Chapters IV and V can be used to give an indication of this effect.

The balance of payments is, of course, an accounting identity, and consequently there can be neither a surplus on the balance of payments nor a deficit. However, by taking related factors from opposite sides of the accounts, an assessment can be made of the way in which these items affect the balance. For the results to have any significance, it is necessary that the items taken should be related. Imports and exports, for instance, both relate to the flow of goods. Capital flows inward for direct investment and the outward flows of dividends from direct investment can also be meaningfully compared, since both are money flows related to direct investment.

The excess of imports from the U.S. over sales to the U.S. during the period gives some indication of the drain on Canada's balance of payments arising out of these particular types of transaction. The data are not strictly comparable with each other, because of the different nature of the surveys involved. Furthermore, the definitions of purchases and sales do not result in data which are comparable with the import and export data compiled for trade statistics. These reservations should be borne in mind when interpreting the presentation below, which should be treated as an indicator of how things were moving, rather than as a definitive statement on a component of the balance of payments.

TABLE VI-1

EXCESS OF SALES TO THE U.S. BY CANADIAN
MANUFACTURING AFFILIATES OVER THEIR
IMPORTS FROM THE U.S., 1962 - 1964

(millions of U.S. dollars)

	Sales to the U.S.	Imports from the U.S.	Net Balance
Year	(1)	(2)	(3)
1962	814	1,426	-612 ^{1/}
1963	1,035	1,615	-580
1964	1,219	1,839	-620

^{1/} A minus indicates a net deficit

Sources: Imports - Table CD-US202
Exports - Table CD-US103

In all the three years fairly substantial excesses of imports over exports of about \$US 600 million were shown. This was a negative contribution to the balance of payments. During this period, sales to the U.S. were growing faster than imports in percentage terms.

A comparison is also available for each of nine groups of industries within manufacturing. This is given in Table VI-2 below.

It is clear that the trade deficits recorded in these accounts are not spread evenly through manufacturing industry. Paper and allied products showed sizeable surpluses over all three years. Primary and fabricated metals also showed surpluses. Both surpluses rose over the three years. The largest deficit was in transportation equipment. This deficit alone more than offset the surplus in paper and allied products in 1962 and 1963 and was slightly less than that surplus in 1964. Considerable deficits were also recorded in chemicals, machinery (excluding electrical), and electrical machinery. Other surpluses or deficits were minor.

TABLE VI-2

EXCESS OF SALES TO THE U.S. BY CANADIAN MANUFACTURING AFFILIATES OF
U.S. FIRMS OVER THEIR IMPORTS FROM THE U.S., BY TYPE OF INDUSTRY
1962 TO 1964

(millions of U.S. dollars)

Year	Total	Food products	Paper and allied products	Chemicals	Rubber products	Primary and fabricated metals	Machinery (excluding electrical)	Electrical machinery	Transpor- tation equipment	Other products
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1962	-612 ^{1/}	-39	336	-114	-14	30	-201	-157	-484	31
1963	-580	-8	464	-88	-37	82	-236	-185	-545	-27
1964	-620	-23	562	-129	-42	136	-261	-222	-548	-93

^{1/} A minus indicates a net deficit

Source: Imports - Table CD-US204
Exports - Table CD-US105

ANNEX A

SALES, EXPORTS AND IMPORTS BY CANADIAN AFFILIATES
OF U.S. FIRMS AS REPORTED BY U.S. SOURCES
SELECTED YEARS FROM 1957 - 1968

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ANNEX A

SALES, EXPORTS AND IMPORTS OF CANADIAN AFFILIATES
OF U.S. FIRMS AS REPORTED BY U.S. SOURCES
SELECTED YEARS FROM 1957 - 1968

INTRODUCTION

All data in these tables have been taken from publications of the U.S. Department of Commerce. A full statement of the sources used is appended to each main table.

The main statistical tables are numbered in accordance with a general system used in reports by the Foreign Investment Division. Each of them is identified by a reference which consists of the letters CD-US and three figures. The letters CD indicate that the series deal with foreign investment in Canada. The hyphen followed by the second block of letters US indicate that the data are from United States sources. The three figures are serial numbers within a subject group. The 300 block indicates tables about sales, of which exports are a component. The 400 block indicates tables about imports.

Some of the main tables are followed by subsidiary tables which are based on them. These are identified by the reference number of the appropriate main table with a letter added at the end.

TABLE CD-US 301

SALES OF CANADIAN MINING AFFILIATES OF U.S. FIRMS, BY AREAS OF DESTINATION,
1957, 1963-1965, AND 1967-1968

Year	Total		Sales in Canada		Export to U.S.		Export to countries other than U.S.	
	millions of U.S. dollars	per cent	millions of U.S. dollars	per cent	millions of U.S. dollars	per cent	millions of U.S. dollars	per cent
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1957	740	100.0	124	16.8	400	54.0	216	29.2
1963	1,000	100.0	235	23.5	465	46.5	300	30.0
1964	1,250	100.0	335	26.8	560	44.8	355	28.4
1965	1,480	100.0	395	26.7	687	46.4	398	26.9
1967	1,796	100.0	478	26.6	829	46.2	489	27.2
1968	2,058	100.0	542	26.3	912	44.3	604	29.4

Source: 1957 and 1963-1964 - "Sales of Foreign Affiliates of U.S. Firms in 1965", Survey of Current Business, Nov. 1966, U.S. Dept. of Commerce, Office of Business Economics, Washington, D.C., Table 6, page 10.

1965 and 1967-1968 - "Sales of Foreign Affiliates of U.S. Firms, 1961-1965, 1967 and 1968," Survey of Current Business, Oct. 1970, U.S. Dept. of Commerce, Office of Business Economics, Washington, D.C., Table 4, page 20.

Foreign Investment Division,
Office of Economics.

TABLE CD-US302

SALES OF CANADIAN MANUFACTURING AFFILIATES OF U.S. FIRMS, BY TYPE OF MANUFACTURING, 1957, 1959, 1961-1965 AND 1967-1968

(millions of U.S. dollars)

Year	Total	Food products	Paper and allied products	Chemicals	Rubber products	Primary and fabricated metals	Machinery excluding electrical	Electrical machinery	Transport- ation equipment	Other products
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1957	7,897 ^{1/}	928	769	897	272	927	695	1,080	1,488	842
1959	8,204	1,060	800	1,070	290	950	760	794	1,600	880
1961	8,429	1,095	870	1,315	285	940	760	764	1,450	950
1962	9,196	1,135	945	1,295	340	1,090	810	851	1,730	1,000
1963	10,199	1,182	1,042	1,400	355	1,198	916	866	2,140	1,100
1964	11,620	1,274	1,212	1,535	400	1,330	1,038	1,010	2,483	1,338
1965	13,349	1,325	1,349	1,690	472	1,417	1,182	1,203	3,226	1,485
1967	16,585	1,552	1,502	1,888	544	1,650	1,600	1,373	4,696	1,780
1968	18,548	1,582	1,680	2,123	580	1,810	1,685	1,457	5,661	1,970

^{1/} - Items do not add up to total because of rounding.

Source: 1957-1959 "Sales of Foreign Affiliates of U.S. Firms in 1965", Survey of Current Business, Nov. 1966, U.S. Dept. of Commerce, Office of Business Economics, Washington, D.C., Table 1. p.8.

1961-1965 "Sales of Foreign Affiliates of U.S. Firms, 1961-1965, 1967 and 1968",
and Survey of Current Business, Oct. 1970, U.S. Dept. of Commerce,
1967-1968 Office of Business Economics, Washington, D.C., Table 2. p. 19.Foreign Investment Division,
Office of Economics.

TABLE CD-US303

SALES OF CANADIAN MANUFACTURING AFFILIATES OF U.S. FIRMS, BY AREA OF DESTINATION, 1962-1965, AND 1967-1968.

Year	Total		Sales within Canada		Exports to U.S.		Exports to countries other than U.S.	
	millions of U.S. dollars	per cent	millions of U.S. dollars	per cent	millions of U.S. dollars	per cent	millions of U.S. dollars	per cent
	(1)	(2)	(3)	(4)	(5)	(6)	(5)	(8)
1962	9,375 ^{1/}	100.0	7,686	82.0	814	8.7	875	9.3
1963	10,199	100.0	8,424	82.6	1,035	10.1	740	7.3
1964	11,620	100.0	9,500	81.8	1,219	10.5	901	7.7
1965	13,349	100.0	10,890	81.6	1,380	10.3	1,079	8.1
1967	16,585	100.0	12,361	74.5	2,956	17.8	1,268	7.7
1968	18,548	100.0	13,369	72.1	3,787	20.4	1,392	7.5

^{1/} The total for 1962 given above is an earlier figure than the total given on Table CD-US302. A later revision did not include the area distribution of sales.

Source: Col. 3 : Derived from Table CD-US304
Col. 5 : Derived from Table CD-US305
Col. 7 : Derived from Table CD-US306

Foreign Investment Division,
Office of Economics.

TABLE CD-US304

SALES WITHIN CANADA OF CANADIAN MANUFACTURING AFFILIATES OF U. S.
FIRMS, BY TYPE OF MANUFACTURING, 1962-1965 AND 1967-1968

(millions of U.S. dollars)

Year	Total	Food products	Paper and allied products	Chemicals	Rubber products	Primary and fabricated metals	Machinery (excluding electrical)	Electrical machinery	Transportation equipment	Other products
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1962 ^{1/}	7,686	1,035	251	1,110	350	730	680	1,085	1,630	815
1963	8,424	1,105	413	1,243	345	810	785	818	2,019	886
1964	9,500	1,144	474	1,363	394	850	897	950	2,258	1,170
1965	10,890	1,192	529	1,495	463	909	1,033	1,113	2,863	1,293
1967	12,361	1,432	586	1,754	523	1,032	1,336	1,275	2,892	1,531
1968	13,369	1,478	641	1,968	556	1,123	1,408	1,349	3,153	1,693

1/ - Figures for 1962 only were calculated by subtracting the total sales by Canadian manufacturing affiliates of U.S. firms from the sum of their exports to the U.S. and to other countries.

Source: 1962

"U.S. Firms Accelerate Capital Expenditures Abroad", Survey of Current Business, Oct. 1964

U.S. Dept. of Commerce, Office of Business Economics, Washington, D.C., calculated from Table 5, p. 11 and Table 7, p. 12.

1963-1964

"Sales of Foreign Affiliates of U.S. Firms in 1965", Survey of Current Business, Nov. 1966,

U.S. Dept. of Commerce, Office of Business Economics, Washington, D.C., Table 3, p. 9.

1965 and

"Sales of Foreign Affiliates of U.S. Firms, 1961-1965, 1967 and 1968", Survey of Current Business,

1967-1968 Oct. 1970, U.S. Dept. of Commerce, Office of Business Economics, Washington, D.C., Table 3, p. 20.

TABLE CD-US305

EXPORTS TO THE U.S. OF CANADIAN MANUFACTURING AFFILIATES OF U.S. FIRMS,

BY TYPE OF MANUFACTURING, 1962-1965 AND 1967-1968

(millions of U.S. dollars)

Year	Total	Food products	Paper and allied products	Chemicals	Rubber products	Primary and fabricated metals	Machinery (excluding electrical)	Electrical machinery	Transportation equipment	Other products
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1962	814	30	354	80	5	100	50	5	45	145
1963	1,035	21	485	96	8	148	55	15	48	159
1964	1,219	30	589	78	4	210	70	23	103	112
1965	1,380	33	638	90	6	175	86	30	200	122
1967	2,956	33	692	90	15	228	138	33	1,583	144
1968	3,787	28	739	85	17	275	185	29	2,247	182

Source: 1962 - "U.S. Firms Accelerate Capital Expenditures Abroad," Survey of Current Business, Oct. 1964, U.S. Dept. of Commerce, Office of Business Economics, Washington D.C. Table 7 p.12.

1963 - 1964 "Sales of Foreign Affiliates of U.S. Firms in 1965," Survey of Current Business, Nov. 1966, U.S. Dept. of Commerce, Office of Business Economics, Washington D.C. Table 3 p.9.

1965 and 1967-1968 "Sales of Foreign Affiliates of U.S. Firms, 1961-1965, 1967 and 1968," Survey of Current Business, Oct. 1970, U.S. Dept. of Commerce, Office of Business Economics, Washington D.C., Table 3 p.20.

EXPORTS TO COUNTRIES OTHER THAN THE U.S. OF CANADIAN MANUFACTURING AFFILIATES

OF U.S. FIRMS, BY TYPE OF MANUFACTURING, 1962-1965 AND 1967-1968

(millions of U.S. dollars)

Year	Total	Food products	Paper and allied products	Chemicals	Rubber products	Primary and fabricated metals	Machinery (excluding electrical)	Electrical machinery	Transportation equipment	Other products
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1962	875	50	315	60	5	235	60	25	55	70
1963	740	56	144	61	2	240	76	33	73	55
1964	901	100	149	94	2	270	71	37	122	56
1965	1,079	100	182	105	3	333	63	60	163	70
1967	1,268	87	224	44	6	390	126	65	221	105
1968	1,392	76	300	70	7	412	92	79	261	95

Source: 1962

"U.S. Firms Accelerate Capital Expenditures Abroad," Survey of Current Business, Oct. 1964, U.S. Dept. of Commerce, Office of Business Economics, Washington, D.C., Table 7 p.12.

1963-1964

"Sales of Foreign Affiliates of U.S. Firms in 1965," Survey of Current Business, Nov. 1966, U.S. Dept. of Commerce, Office of Economics, Washington, D.C., Table 3 p.9.

1965 and 1967-1968

"Sales of Foreign Affiliates of U.S. Firms, 1961-1965, 1967-1968," Survey of Current Business, Oct. 1970. U.S. Dept. of Commerce, Office of Business Economics, Washington, D.C., Table 3 p.20.

Foreign Investment Division,
Office of Economics.

TABLE CD-US401

IMPORTS FROM THE U.S. BY CANADIAN AFFILIATES OF U.S. FIRMS
BY TYPE OF IMPORT, 1962-1964

(millions of U.S. dollars)

Year	Total	Imports from parent companies				Imports purchased in U.S. directly by foreign affiliates	Imports purchased by foreign affiliates on a commission basis
		For processing or assembly	For resale without further manufacture	Capital equip- ment for investment use	Imports not identified by type		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
1962	1,694 ^{1/}	521	678	42	18	419	15
1963	1,885	636	717	39	24	423	45
1964	2,169	665	861	58	8	526	50

^{1/} For 1962 the sum of the components does not add up to the total. The reason for this discrepancy is not known.

Source: "U.S. Exports to Foreign Affiliates of U.S. Firms", Survey of Current Business, Dec. 1965,
U.S. Dept. of Commerce, Office of Economics, Washington D.C., Table 1, page 14.

TABLE CD-US401A

PERCENTAGE DISTRIBUTION OF IMPORTS FROM THE U.S. BY CANADIAN
AFFILIATES OF U.S. FIRMS, BY TYPE OF IMPORT, 1962-1964

(millions of U.S. dollars)

Year	Total	Imports from parent companies			Imports purchased in U.S. directly by foreign affiliates	Imports purchased by foreign affiliates on a commission basis
		For processing or assembly	For resale without further manufacture	Capital equipment for investment use	Imports not identified by type	
	(1)	(2)	(3)	(4)	(5)	(6)
1962	100.0	30.8	40.0	2.5	1.1	24.7
1963	100.0	33.8	38.0	2.1	1.3	22.4
1964	100.0	30.7	39.7	2.7	0.4	24.2
						(7)
						0.9
						2.4
						2.3

Source: Derived from Table CD-US 401

TABLE CD-US402

IMPORTS FROM THE U.S. BY CANADIAN AFFILIATES OF U.S. FIRMS,
BY INDUSTRY, 1962-1964

(millions of U.S. dollars)

Year	Total all industry		Petroleum		Manufacturing		Trade ^{1/}		Other industries	
	Total imports	Purchases from parent	Total imports	Purchases from parent	Total imports	Purchases from parent	Total imports	Purchases from parent	Total imports	Purchases from parent
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1962	1,694	1,259	29	19	1,426	1,042	234	194	5	4
1963	1,885	1,416	24	14	1,615	1,201	240	195	7	5
1964	2,169	1,592	31	16	1,840	1,351	283	218	15	7

^{1/} The trade industry consists mainly of distributing affiliates of U. S. manufacturing companies.

Source: "U.S. Exports to Foreign Affiliates of U.S. Firms," Survey of Current Business, Dec. 1965, U.S. Dept. of Commerce, Office of Business Economics, Washington D.C., Table 1, page 14.

TABLE CD-US402A

PERCENTAGE DISTRIBUTION OF IMPORTS FROM THE U.S. BY CANADIAN
AFFILIATES OF U.S. FIRMS, BY INDUSTRY, 1962-1964

(per cent)

Year	Total all industry		Petroleum		Manufacturing		Trade ^{1/}		Other Industries	
	Total imports	Purchases from parent	Total imports	Purchases from parent	Total imports	Purchases from parent	Total imports	Purchases from parent	Total imports	Purchases from parent
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1962	100.0	74.3	1.7	1.1	84.2	61.5	13.8	11.5	0.3	0.2
1963	100.0	75.1	1.3	0.7	85.7	63.7	12.7	10.3	0.3	0.3
1964	100.0	73.4	1.4	0.7	84.8	62.3	13.1	10.1	0.7	0.3
1962		100.0		1.5		82.8		15.4		0.3
1963		100.0		1.0		84.8		13.8		0.4
1964		100.0		1.0		84.9		13.7		0.4

^{1/} The trade industry consists mainly of distributing affiliates of U.S. manufacturing companies.

Source: Derived from Table CD-US402.

TABLE CD-US403

IMPORTS FROM THE U.S. BY CANADIAN MANUFACTURING AFFILIATES OF
U.S. FIRMS, BY TYPE OF IMPORT, 1962-1964

(millions of U.S. dollars)

Year	Total	Imports from Parent Companies				Imports purchased in U.S. directly by foreign affiliates	Imports purchased by foreign affiliates on a commission basis
		For processing or assembly	For resale without further manufacture	Capital equip- ment for investment use	Imports not identified by type		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
1962	1,426	489	506	41	6	370	14
1963	1,615	606	535	37	23	368	45
1964	1,840	628	659	56	8	438	50

Source : "U.S. Exports to Foreign Affiliates of U.S. Firms," Survey of Current Business Dec. 1965,
U.S. Dept of Commerce, Office of Business Economics, Washington D.C., Table 1, page 14.

TABLE CD-US403A

PERCENTAGE DISTRIBUTION OF IMPORTS FROM THE U.S. BY CANADIAN
MANUFACTURING AFFILIATES OF U.S. FIRMS, BY TYPE OF IMPORT,

1962 - 1964

(per cent)

Year	Total	Imports from parent companies				Imports purchased in U.S. directly by foreign affiliates	Imports purchased by foreign affiliates on a commission basis
		For processing or assembly	For resale without further manufacture	Capital equipment for investment use	Imports not identified by type		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
1962	100.0	34.3	35.5	2.9	0.4	25.9	1.0
1963	100.0	37.5	33.2	2.3	1.4	22.8	2.8
1964	100.0	34.1	35.8	3.1	0.5	23.8	2.7

Source: Derived from Table CD-US 401

TABLE CD-US404

IMPORTS FROM THE U.S. BY CANADIAN MANUFACTURING AFFILIATES OF U.S.
FIRMS, BY TYPE OF MANUFACTURING INDUSTRY, 1962-1964

(millions of U.S. dollars)

Year	Total manufacturing	Food products	Paper and allied products	Chemicals	Rubber products	Primary and fabricated metals	Machinery (excluding electrical)	Electrical machinery	Transporta- tion equipment	Other products
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1962	1,426	69	18	194	19	70	251	162	529	114
1963	1,615 ^{1/}	29	21	184	45	66	291	200	593	186
1964	1,840 ^{1/}	53	27	207	46	74	331	245	651	205

^{1/} For 1964 the sum of the components does not add up to the total. The reason for this discrepancy is not known.

Source: "U.S. Exports to Foreign Affiliates of U.S. Firms," Survey of Current Business, Dec. 1965,

U.S. Dept. of Commerce, Office of Business Economics, Washington D.C., Table 2, page 15.

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TABLE CD-US404A

PERCENTAGE DISTRIBUTION OF IMPORTS FROM THE U.S. BY CANADIAN MANUFACTURING
AFFILIATES OF U.S. FIRMS, BY TYPE OF MANUFACTURING INDUSTRY,
1962-1964

(per cent)

Year	Total manufacturing	Food products	Paper and allied products	Chemicals	Rubber products	Primary and fabricated metals	Machinery (excluding electrical)	Electrical machinery	Transporta- tion equipment	Other products
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1962	100.0	4.2	1.3	13.6	1.3	4.9	17.6	11.4	37.1	8.0
1963	100.0	1.8	1.3	11.4	7.8	4.1	18.0	1.4	36.7	11.5
1964	100.0	7.9	1.4	11.2	2.5	4.0	18.0	13.3	35.4	11.3

Source: Derived from Table CD-US404.

TABLE CD-US405

IMPORTS FROM U.S. PARENTS BY CANADIAN MANUFACTURING AFFILIATES
OF U.S. FIRMS, BY TYPE OF MANUFACTURING INDUSTRY,
1962-1964

(millions of U.S. dollars)

Year	Total manufacturing	Food products	Paper and allied products	Chemicals	Rubber products	Primary and fabricated metals	Machinery (excluding electrical)	Electrical machinery	Transporta- tion equipment	Other products
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1962	1,042	39	11	172	20	65	177	124	332	100
1963	1,201	27	10	153	31	57	221	142	414	148
1964	1,351	31	12	156	34	68	244	185	461	161

Source: "U.S. Exports to Foreign Affiliates of U.S. Firms", Survey of Current Business, Dec. 1965,
U.S. Dept. of Commerce, Office of Business Economics, Washington D.C., Table 2, page 15.

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TABLE CD-US405A

PERCENTAGE DISTRIBUTION OF IMPORTS FROM U.S. PARENTS BY CANADIAN MANUFACTURING AFFILIATES OF U.S. FIRMS, BY TYPE OF MANUFACTURING INDUSTRY, 1962-1964

(per cent)

Year	Total manufacturing	Food products	Paper and allied products	Chemicals	Rubber products	Primary and fabricated metals	Machinery (excluding electrical)	Electrical machinery	Transportation equipment	Other products
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1962	100.0	3.8	1.1	16.5	1.9	6.3	17.0	11.9	21.9	9.7
1963	100.0	3.2	0.8	17.7	1.6	4.7	18.4	11.2	24.5	7.5
1964	100.0	3.3	0.9	11.5	2.5	5.0	18.1	13.7	24.1	11.9

Source: Imports from U.S. Table CD-US 405.

Foreign Investment Division,
Office of Economics

ANNEX B

SALES, EXPORTS AND IMPORTS FROM THE UNITED STATES OF
CANADIAN AFFILIATES OF U.S. FIRMS, SELECTED
YEARS FROM 1957 TO 1968

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